



November 1, 2017

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Subject: *Ex parte presentation – WC Docket No. 10-90
CAF Phase II competitive bidding auctions Public Notice*

Dear Ms. Dortch:

On October 31st, 2017, Hughes Network Systems met staff from the Wireline Competition Bureau (“WCB”) and the Rural Broadband Auctions Task Force (“RBATF”) regarding the Connect America Fund (“CAF”) Phase II auction procedures public notice.¹ Hughes was represented by outside counsel L. Charles Keller of Wilkinson Barker Knauer LLP, and myself. Commission staff in attendance from the RBATF were Chelsea Fallon, Director; Michael Janson and Kirk Burgee, Deputy Directors; Thomas Parisi, Chief of Staff; Margaret Wiener; Martha Stancill; Angela Kung; Mark Montano; Heidi Lankau; and from WCB, Ryan Palmer, Chief, Telecommunications Access Policy Division; and Katie King

In the meeting, our discussion followed the attached talking points, which were distributed to the meeting attendees.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

_____/s/_____
Jennifer A. Manner
Senior Vice President, Regulatory Affairs

Enclosure

cc: Chelsea Fallon
Michael Janson
Kirk Burgee
Ryan Palmer

¹ *Comment Sought on Competitive Bidding Procedures and Certain Program Requirements for the Connect America Fund Phase II Auction (Auction 903)*, Public Notice, 32 FCC Rcd 6238 (2017) (“Public Notice”).

Thomas Parisi
Margaret Wiener
Martha Stancill
Angela Kung
Mark Montano
Heidi Lankau
Katie King



CAF Phase II Auction Procedures

October 2017

- The Commission should modify the bid-weighting matrix to align weights with the values that consumers actually place on speed, capacity and latency.
 - The August 2017 Technology Policy Institute study demonstrates that consumers do not place the high values the FCC has afforded to high speed, capacity, or low latency.
 - There is strong record support for a competitive auction; granting Hughes's petition to reconsider the bid weighting matrix will advance that goal.
 - Changing the tier weights will not delay the auction because they are variables in the bid consideration formula.
- To the extent that they are consistent with past efficient and successful auction design strategies, the Commission's proposed auction procedures are sound, new and untested elements should not be implemented in this auction.
 - Package bidding will overly complicate the auction and should be eliminated.
 - The record supports broader latitude to switch geographic areas between rounds.
 - Consistent with the Commission's practice in prior auctions, the short-form showing should be consistent across bidder types and should be properly circumscribed for the preliminary round.
 - Prior short forms encouraged diverse and open participation of bidders because there is no way to know what type of bidder would value a given area the most. The Commission should not allow the introduction of the unwarranted screens on the short form that would promote less diversity among bidders and contribute to an inefficient and less-successful auction.
 - Spectrum-based applicants should not be required to submit propagation maps.
 - It is infeasible to design a propagation map until the applicant knows what areas, if any, it has won.
 - Satellite providers should not be required to identify their total capacity in their short forms.
 - The auctions procedures PN is not the appropriate time to add additional qualifications to the MOS testing standard that the Commission adopted.
 - The list of spectrum bands should be broadly inclusive, including V and Q bands for satellite providers.
- If the Commission modifies the auction framework, it should add time-to-deployment to the bid weighting matrix.
 - Time-to-deployment is just as important to consumers as speed, capacity, or latency, if not more.